



Montana Legislative Services Division
Office of Research and Policy Analysis

EXHIBIT 4
DATE 3/18/13
SB

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TO: Members of the House Human Services Committee

FROM: Sue O'Connell
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RE: Medicaid Eligibility

DATE: March 18, 2013

During the March 15 hearing on Senate Bill 69, committee members raised questions about how the bill might affect eligibility determination for all Medicaid recipients. This memo provides more information about eligibility requirements and the practical effects of SB 69.

The Medicaid program primarily serves low-income people, particularly children, pregnant women, and aged, blind, or disabled adults. Individuals must meet not only criteria relating to age or physical condition, but also income criteria to qualify for the program. Medicaid pays for medical medical services, as well as the costs of long-term care.

Federal law limits the amount of assets that an individual may have if they are applying for long-term care. A person who is found to have transferred assets for less than fair market value is subject, under 42 U.S.C. 1396a, to a period of ineligibility for Medicaid for long-term care, unless it would cause an undue hardship.

Applicants for long-term care coverage may have \$2,000 in "countable" assets. However, many items are excluded from being counted in this total. Those items include:

- one vehicle, regardless of value;
- the applicant's principal residence;
- personal possessions, such as clothing, furniture, and jewelry;
- assets that must be used to repay a debt; and
- a minimum of \$21,912 of joint assets held with a spouse. The spouse may keep one-half of the couple's joint assets, up to \$109,560 (in 2011).

The federal law requiring a review of asset transfers applies only to individuals seeking to qualify for Medicaid coverage of long-term care in a nursing facility or for services provided in the person's home instead of a nursing facility. As a result, the the provisions of SB 69 would only apply to long-term care applicants.

If concerns remain that SB 69 may affect other Medicaid applicants, the bill could be amended to clarify that it only affects Medicaid coverage for long-term care.

Montana Medicaid Eligibility

Category	Income as % of FPL	Allowable Assets
Adults with Children	22% to 33%	\$3,000
Aged, Blind, Disabled	Individual: \$674/month Couple: \$1,011/month	Individual: \$2,000 Couple: \$3,000
Children Under 19	133%	Not Counted
Pregnant Women	150%	\$3,000
Children in Foster Care or Subsidized Adoption	Varies	Foster Care: \$3,000 Sub Adoption: Not Counted
Breast/Cervical Cancer	200%	Not Counted
Workers with Disabilities	250%	Individual: \$8,000 Couple: \$12,000